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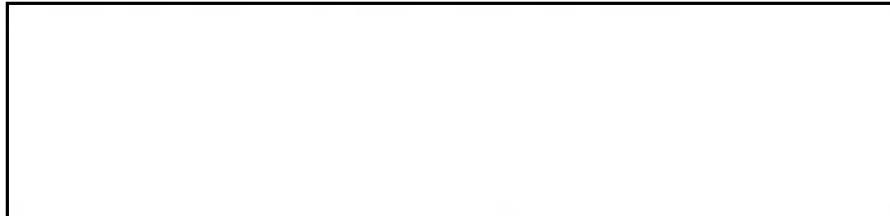
8 June 1948

Assistant General Counsel
Leases

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1. It was intended by the undersigned, at first, to take a sample lease case and describe in detail the problems involved. However, it is felt that the search of files necessary to present a complete picture would be unwarranted since the general principles are well in mind. There were a number of properties leased by OSS during the war for covert purposes. To name a few, there were the following:

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2. The above properties were leased primarily for the purpose of training. There were properties leased for the purpose of maintaining certain radio facilities and other purposes.

3. Almost without exception, properties leased by OSS had no inventory, or survey of condition, as of the date of occupancy. This one point caused considerable difficulty in a number of leased properties. It is apparent that without an inventory, or survey of condition, it is difficult to negotiate with the lessees upon termination of the lease with regard to claims for missing items or damaged property. It is suggested that in any case where there is a lease, there should be a complete and detailed inventory, together with a report of the condition of the property, which should be signed by the Government and the lessees.

4. Before a lease is terminated, negotiations should begin with the lessees to ascertain what items, if any, are missing, and what damage, if any, has been caused by the Government. This should be done prior to the actual termination date of the lease. In many cases, it is possible to offset certain claims for damage or missing articles by improvements which the Government might place on the property. By following this procedure at the termination of a lease, many protracted negotiations could be avoided.

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5. In many cases, leased properties, during the war, were passed from one commanding officer to another without an understanding on the part of such officers of the responsibilities involved. In fact, officers initially were put in charge of leased properties without a clear understanding of their responsibility to maintain the property. At all times, the commanding officer of an installation, whether it be large or small, should be aware of and fully briefed concerning his responsibility.

6. It is known from personal knowledge that many questions were raised by various persons concerning the nature of the activities being conducted on the particular installation. Therefore, it would appear highly desirable to establish in advance an appropriate story which could be circulated in the event of inquiry.

7. It is realized that some lack of supervision in connection with leases was inevitable because of the urgent demand to get things done. In the demobilization period, the reverse occurred. There was an urgent demand to terminate and get out which resulted in a lack of appropriate administration of terminating leases.

8. In some instances, it is known that properties leased were never used. Whether this was through uncontrollable change of plans or lack of adequate planning is not known. In any event, this points to the necessity for a central point for the coordination and control of property requirements and planning.

9. There also appears to be required, in view of the above, a central point where the supervision and administration of leases from beginning to end could be placed. This would tend to ensure compliance with minimum procedures to protect the interests of the Government as well as avoiding security risks.

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